

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of Northwestern Bell  
Discontinuing to Offer Local and IntraLATA  
Operator Handled Conference Service

ISSUE DATE: April 1, 1988

DOCKET NO. P-421/M-87-816

ORDER PARTIALLY SUSPENDING  
TARIFF, INITIATING INVESTIGATION,  
AND LIMITING CONFERENCE CALL  
REFERRALS TO AUTHORIZED  
PROVIDERS

PROCEDURAL HISTORY

On December 8, 1987 Northwestern Bell Telephone Company (Northwestern Bell or the Company) filed a proposal to discontinue offering local and intraLATA operator handled conference call service. The Company stated that the service was widely available from other providers and that it would be in the Company's and ratepayers' best interests to discontinue it.

The Company's filing also contained serious procedural defects, which will not be treated in detail here. They are the subject of a separate Order, issued today, captioned ORDER REQUIRING REVISION OF COMPANY'S FILING PROCEDURES. In short, however, the Company failed to characterize and treat the filing as what it was, a proposal for a rate change under Minn. Stat. § 237.075 (1986).

The Department of Public Service investigated the proposal and recommended approval under the following conditions: 1.) the Company should notify all customers it is discontinuing the service; 2.) Company operators should clearly explain to customers wishing to place conference calls how they may do so; 3.) the Company should refer customers wishing to place conference calls only to providers authorized to do business within the state of Minnesota.

## STATEMENT OF THE ISSUE

The issue before the Commission is whether or under what circumstances to allow the Company to discontinue operator handled conference services.

## FINDINGS AND CONCLUSIONS

### Factual Summary

For the past few years Northwestern Bell has been providing conference call services to its customers through a contract with AT&T Communications. That contract covered not only conference call service but a variety of other operator handled services, including calling card, person to person, third number, collect, coin paid, busy line verify and interrupt, call completion, and emergency call handling.

The Company now proposes to transfer its contract for all of the above services, except conference call service, to its corporate affiliate, U.S. West Service Link, Inc. For conference call service, it proposes to give customers a list of all companies who have notified Northwestern Bell that they provide that service in this area.

The Company is in the process of converting to this new system exchange by exchange; it was under the mistaken impression that Commission review of these changes was unnecessary.

The conference call situation is further complicated by the fact that all conference call providers, with the exception of AT&T, appear to be operating without legal authority. Only AT&T has filed for authority to provide this service under Minn. Stat. §237.64 (1986) or Minn. Stat. §237.16 (1986). Furthermore, preliminary investigation suggests that there may be problems with the quality of service offered by some providers.

### Commission Action

On December 31, 1987 the Commission initiated an investigation into the Company's proposal to change its method of providing operator handled services other than conference calls. ORDER SUSPENDING TARIFF AND INITIATING INVESTIGATION, P-421/M-87-815. Conference call service was not considered in that docket because the Company had filed its conference call proposal separately.

The Commission is convinced, however, that the conference call proposal involves many of the same issues and should be made a part of that investigation. The Commission will so order.

The conference call situation also involves issues distinct to that service, however. Quality, reliability, and price all appear to require examination prior to Commission approval of the Company's decision to leave the conference call market entirely. The Commission anticipates that the consolidated investigation of these two dockets will address both general issues and issues specific to conference call service.

In the meantime, the Commission will suspend the tariff and require the Company to maintain its AT&T conference call service in those exchanges not yet converted to the new system. In the other exchanges, the Commission will require that the Company provide referrals only to companies authorized by the Commission to provide telephone service in the State of Minnesota. The Commission will not require reinstatement of the previous arrangement with AT&T in these exchanges at this time because the cost to the Company (and the ratepayers) could be substantial and because quality of service should be adequately protected by limiting referrals to authorized providers.

### ORDER

1. In those exchanges in which Northwestern Bell Telephone Company has not yet converted to its new conference call referral system, it shall continue offering conference call services through its contract with AT&T.
2. In those exchanges in which Northwestern Bell Telephone Company has converted to its new conference call referral system, it shall not make referrals to any conference call provider not authorized by the Commission to do business in the State of Minnesota.
3. The Commission hereby initiates an investigation under Minn. Stat. §§ 237.075, subd. 2 and 237.081 (1986) to evaluate the reasonableness of the Company's proposed tariff to discontinue offering operator handled conference calls to its subscribers. This investigation shall be consolidated with the one initiated in Docket No. P-421/M-87-815. To the extent practicable, the results relating to the conference call portion of the investigation shall be presented to the Commission as they become available.

4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen  
Executive Secretary

(S E A L)